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3RD ADD CASEY, WASHINGTON 24 July 1981

SEN. WILLIAM ROTH, R-DEL., TODAY CALLED FOR CASEY'S IMMEDIATE RESIGNATION.

"THE GOOD OF THE NATION REQUIRES THAT CIA DIRECTOR WILLIAM J. CASEY RESIGN IMMEDIATELY," SAID A STATEMENT BY ROTH, THE CONSERVATIVE MEMBER OF THE INTELLIGENCE COMMITTEE AND CHAIRMAN OF THE SENATE GOVERNMENTAL AFFAIRS COMMITTEE.

HE SAID THE CIA DIRECTOR'S POST IS "NEXT TO THE PRESIDENCY ITSELF, THE MOST SENSITIVE POSITION IN GOVERNMENT."

ROTH SAID THE ALLEGATIONS "HAVE SO DAMAGED MR. CASEY'S CREDIBILITY WITH THE INTELLIGENCE COMMITTEE THAT I BELIEVE IT IS IMPOSSIBLE FOR MR. CASEY TO EFFECTIVELY DISCHARGE HIS DUTIES. HE SHOULD GO -- NOW."

SEN. DANIEL MOYNIHAN, D-N.Y., RANKING DEMOCRAT OF THE INTELLIGENCE COMMITTEE, SAID THE PANEL WILL HAVE ITS REPORT BY MONDAY AFTERNOON AND WILL MEET TUESDAY. "IT'S MY JUDGMENT WE SHOULD AWAIT THAT REPORT BEFORE WE MAKE A DECISION."

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MORE A.P. WASHINGTON FRIDAY CALENDAR:

SEN. WILLIAM V. ROTH JR., R-DEL., A MEMBER OF THE SENATE INTELLIGENCE COMMITTEE WHO EARLIER TODAY CALLED FOR THE RESIGNATION OF CIA DIRECTOR WILLIAM CASEY, WILL MEET WITH NEWSMEN AT 12:45 P-M IN THE SENATE PRESS GALLERY TO DISCUSS THE CASEY RESIGNATION.

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THE WALL STREET JOURNAL
24 July 1981

CIA's Casey Draws Mounting Political Fire As Goldwater Staff Is Said to Begin Study

By Gerald F. Seib
Staff Reporter of The Wall Street Journal

WASHINGTON—Congressional dissatisfaction with CIA Director William Casey is growing, even among prominent Republicans who previously supported him.

Sen. Barry Goldwater (R., Ariz.), chairman of the Senate Intelligence Committee, was privately lambasting Mr. Casey to other Senators yesterday, congressional sources said. Sen. Goldwater and others now are concerned that there will be more embarrassing disclosures about Mr. Casey's business history that could be damaging to him and the CIA.

Last night, Sen. Goldwater called for Mr. Casey "to consider withdrawing himself or having the President do so," according to The Associated Press.

The staff of the Senate Intelligence Committee reportedly is examining what some Senators think are discrepancies between statements Mr. Casey made at his confirmation hearings this year and his testimony at earlier court proceedings.

In an indication of his political problems, Mr. Casey visited Capitol Hill yesterday to meet with some Republican Senators and Sen. Walter D. Huddleston (D., Ky.), a member of the Intelligence committee, sources said. A CIA spokesman wouldn't confirm or deny that the meeting took place.

Sifting Records

"The Republicans up here are getting very serious about this Casey thing," said one congressional aide. Even more Republican lawmakers think that the Senate inquiry is "a major embarrassment and Casey's got to go," this aide added.

The staff of the Intelligence committee this week began sifting through Justice Department files on Mr. Casey's business past. Sen. Goldwater ordered the inquiry after it was disclosed that a federal judge ruled that Mr. Casey and other directors of Multiponics Inc., a failed agricultural company, misled potential investors.

After ordering the investigation, Mr. Goldwater told reporters that the staff would investigate "whatever matters might be hanging" in the wake of the Multiponics disclosure.

But congressional sources said the staff isn't limiting its inquiry to the details of the Multiponics affair. Rather, they are doing a broader examination of Mr. Casey's business dealings.

The committee's staff is going through FBI background checks done on Mr. Casey when he was picked for the CIA post and in 1971 when he was nominated as chairman of the Securities and Exchange Commission, staff members said.

August Recess

Senators on the committee hope that the staff can close its inquiry and file a report before Congress leaves for its August recess. The committee members then will decide whether to take further steps, such as calling Mr. Casey before the panel, staff members said.

The results of the Senate inquiry will be a crucial factor in determining whether Mr. Casey will remain in his job, congressional observers believe. Some Senators are worried that continued controversey over his past business dealings would harm the agency by distracting Mr. Casey and by lowering morale.

Mr. Casey, however, has told some Senators in recent days that he doesn't intend to resign, congressional sources said.

The White House also insists that President Reagan continues to support Mr. Casey. Yesterday, the President shook his head to say no when asked by reporters whether Mr. Casey was stepping down. And White House spokesman Larry Speakes answered "yes" when asked whether Mr. Reagan still had confidence in Mr. Casey.

Sen. Goldwater also has said publicly that Mr. Casey should stay on the job unless the Intelligence Committee staff finds new evidence of improper activities.

Some congressional aides note that many of Mr. Casey's business dealings have been examined before and haven't blocked him from receiving top government jobs. In 1971, Mr. Casey endured a stormy confirmation hearing before being confirmed for the SEC job; the hearing focused on what one Senator at the time termed his "rough and tumble" business career.

At the time of Mr. Casey's SEC nomination, Senators were most concerned about Mr. Casey's role in three civil lawsuits. Lawmakers now are concerned, among other things, about his role in Multiponics and newspaper reports indicating that one of Mr. Casey's associates at the company had links to organized crime.

Mr. Casey was a New York tax lawyer who has been involved in numerous business ventures. In a statement required of presidential nominees that Mr. Casey completed after being selected for the CIA post, he listed five legal actions in which he has been involved recently.

Some lawmakers were disenchanted with Mr. Casey before the Multiponics case came to light because of his insistence on naming Max Hugel, a businessman without intelligence experience, as director of the CIA's spy operations. Mr. Hugel resigned last week because of allegations he participated in improper and possibly illegal business activities.

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NEW YORK DAILY NEWS
24 July 1981

Trustee fingers Casey, pals

By JOEL SAPPELL

The bankruptcy trustee in the Multiponics case says that William Casey, director of the Central Intelligence Agency, and fellow entrepreneurs helped push the teetering agricultural firm into bankruptcy through "questionable" practices that benefited only them.

Multiponics' court-appointed bankruptcy trustee, William Herpel, came to that conclusion eight years ago. And "I haven't changed my mind," he told the Daily News.

With the Senate Intelligence Committee gearing up its probe of Casey's past wheeling-and-dealing, Herpel's findings in the decade-old Multiponics case, which sparked the investigation, could play a role in the director's future with the CIA.

President Reagan, who appointed Casey, said he still stands behind him. Casey has denied any wrongdoing during his years as a businessman, including while he was a Multiponics officer and board member from 1968 to 1970.

AS HERPEL TELLS it, Multiponics (formerly Ivanhoe Associates) may have been doomed from its start in 1968. For example, at one point, the founders themselves had saddled the company with mortgage debts of $2.7 million by selling their own farms to the company. Casey's properties made up $301,000 of the debt.

To make matter worse, Herpel said some of the land was bad.

By 1971, Multiponics had piled up losses of about $6 million before finally filing for a Chapter X bankruptcy in New Orleans.

It took Herpel two years to figure out what had gone wrong. And when he did, he filed a damage suit charging that Casey and other board members, through "flagrant violation of the fiduciary obligations," were responsible for $2 million of Multiponics' debt.

CIA Director William Casey

"HAD I NOT sued, I probably would have been sued by the creditors. My fiduciary responsibility . . . would have been breached."

Here's some examples of why Herpel said he filed suit—though the judge didn't award any damages.

● Multiponics bought a 3,742-acre farm in Florida from one of its directors, who also was treasurer, for $2.2 million in 1968—$700,000 more than its appraised value. When the farm went on the auction block in 1972, the same director bought it back for $1.1 million.

● Multiponics directors authorized the use of $200,000 in company funds as collateral for a fellow director's personal loan. This, at a time when Multiponics' "financial condition was rapidly deteriorating into a near state of collapse."

● Multiponics poured hundreds of thousands into a bankruptcy-bound firm, American Hydroponic Systems Inc., in which "certain members" of Multiponics' board had an "independent financial interest." Herpel said "the most casual perusal" of American Hydroponic's books would have shown it was "on the verge of bankruptcy."

Despite these examples, Herpel continues to stress that the quality of the company's farms was the key reason Multiponics went bust.

Of Multiponics' seven farms, only one, in Arkansas, was really even capable of turning a profit, he said.

"I THINK THEY over-estimated the potential returns," Herpel said.

Though damages weren't awarded in the case, a federal judge presiding over the bankrupty proceeding did rule that all financial claims against the company's assets by Multiponics directors be paid last. That decision was upheld in July 1980 by Judge John Brown, who said Multiponics insiders drove the company into debt through an "overall pattern of self-interest."

Casey's associates have said he lost about $150,000 on his Multiponic investment.

And in New York last May, another judge said Casey and other Multiponics officials had knowingly misled investors in a $3.5 million fund-raising effort by concealing facts about the company's finances.

Besides Casey, the combined defendants in the two suits were: Carl Biehl, Stanley Burkley, N. Leslie Carpenter, Alfred Moran, Lawrence Orbe, James Swinny, Joseph Zuccaro, Henry Arthur, Vernon Bacher, Vernon Bain, Jim Choate, and Norman Efferson. ■

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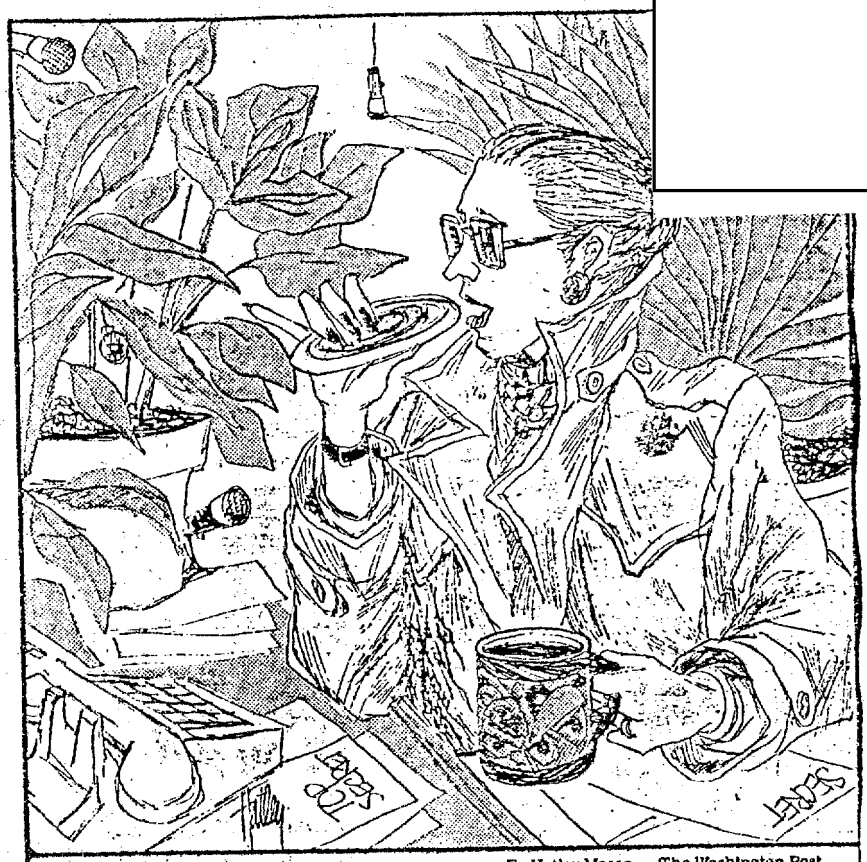
THE WASHINGTON POST
24 July 1981



By Hatley Mason — The Washington Post

The discrimination suit says the CIA complains Bernice Turbeville snacked on coffee and danish and adds that her potted plants were a security risk.

CIA Is Accused of Bias Against Female Spies

By Philip Smith
Washington Post Staff Writer

A female career employe of the Central Intelligence Agency's supersecret covert operations branch has sued the spy agency, claiming it systematically discriminates against women seeking undercover assignments, often for frivolous reasons.

Bernice Turbeville of Fairfax County charged in a sex discrimination lawsuit that her superiors throttled her advancement by criticizing her "potted plants" as possible security hazards and complaining that she snacked in the morning on coffee and danish.

The suit, filed in U.S. District court in Washington on behalf of Turbeville and about 500 women employed by the agency's covert operations section, alleges a male supervisor also suspected Turbeville of once taking part in a "bitching session" and of participating in a feminine protest march in the District of Columbia on a day when she had claimed sick leave. Both suspicions were false, the suit says.

The CIA, which was named as

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